

CONFIDENTIALPROJECTS REVIEW COMMITTEE

Monday, 3 Jan 1949
3:00 p.m.

HOUSTON: This meeting was called as a result of a memo received from ORE stating that [redacted] requires additional funds for [redacted] work on the NIS Program being done for CIA. The staff of [redacted] has reported that funds available for [redacted] work on this Program will be used up by mid-January.

[redacted]: [redacted]

HOUSTON: That is the [redacted]. An earlier memo from ORE, dated 23 August 1948, stated that the estimated deficit would be \$92,000 for the fiscal year 1949. However, a re-estimate indicates the deficit would be \$132,500, based mainly on payroll obligations. The estimated payroll for the period is \$168,000; other obligations would be \$5,000. The total funds available for the balance of fiscal year 1949 is \$40,500.

[redacted] s that \$5,000 a new item?

[redacted] Yes, it is.

[redacted] It is a new item because of needed supplies not anticipated in the earlier estimate, and other objectives and obligations not anticipated. A great deal of editorial work had to be done, resulting in reclassifying positions to higher salaries.

[redacted] That is for what length of time?

[redacted] The rest of the fiscal year -- the first of the year until 30 June.

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25X1A9a HOUSTON: This memo also contains statements as to why there was an increase in the estimated deficit.

[REDACTED] : And didn't we say that they should come back up the first of the year with a new estimate?

HOUSTON: Yes. They said at that time there would be a deficit. Apparently, a good deal of this deficit was because of filling the higher grade positions.

25X1A9a [REDACTED]: We had a group of quite a few people doing work on the making up of names for a gazetteer. This large gazetteer is now going into publication, and with the shift toward editorial work on the NIS Program, we had to have people with a higher capacity so that it meant shifting a good many of those people in other sections and filling the positions with people of higher qualifications. Then, too, after July it developed that the things which we thought we might have to do for AMS were found to be of lower priority than the work for CIA. So those projects for AMS were carried on a minimum progressive basis and more of the personnel than anticipated were devoted to CIA work. We had to do that and try to keep our chins above water on the CIA stuff so we used the funds faster than anticipated.

25X1A9a [REDACTED] are you doing work for other government agencies?

25X1A9a [REDACTED] Practically all of it is for CIA.

[REDACTED] Is the production devoted exclusively to NIS requirements or is it used as a by-product for other government agencies?

25X1A9a [REDACTED] Production is directly to CIA.

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25X1A9a

[REDACTED] There is no basis for asking other agencies to contribute a portion of this amount?

25X1A9a

[REDACTED] No. I think it would be extraordinarily difficult to push and try.

25X1A9a

[REDACTED] Is this particular project taken care of in next year's budget estimates?

25X1A9a

SAUNDERS: Yes, it is.

[REDACTED] They will not come up with a deficiency estimate again?

SAUNDERS: If the funds are used above that allowed in the budget, they probably would; but we have a much larger estimate, than what has been given here, for next year.

25X1A9a

[REDACTED] Do we have the funds to take care of this item?

SAUNDERS: Not particularly assigned to this item, but we can get it from some other place to take care of it. Somebody else's budget would be decreased accordingly. Certain offices have certain amount in their budget, so reduce one of them.

25X1A9a

[REDACTED] From the NIS Program or the overall budget?

SAUNDERS: From the overall budget. Take it from somebody's budget where the rate of expenditure of obligations was not as high as anticipated. We can cover it. As I say, somebody would be reduced in their estimates in order to meet it. But that is the process we will have to go through.

25X1A9a

[REDACTED] Do you think we can cover it, you are not sure?

SAUNDERS: I am quite sure we can get it.

25X1A9a

[REDACTED] I don't want to say we'll do it, and not be able to.

SAUNDERS: We'll do it.

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[REDACTED] : I would like to say that if next year's budget reflects this increased rate, it would indicate pretty good foresight.

25X1A9a

[REDACTED] It is definitely under control?

25X1A9a

[REDACTED] : Yes, the budget estimate for next year is a very sound one. I don't expect we will overrun it unless the signals get changed in the middle which might upset things.

SAUNDERS: I might say, of course, that Congress might give a cut in our budget which might mean we have to cut the estimate down. We can't anticipate that now, but it is something we have to look forward to, in case it does happen.

25X1A9a

[REDACTED] There is only a slight amount of work left on JANIS. It is practically over. Then work will be entirely all on NIS with a few map jobs.

25X1A9a

[REDACTED] I might state here that the Director determines the definite action to be taken and he has the final say, so don't make any final plans until the Director gets his name on the Program.

25X1A9a

[REDACTED] We have, on rare occasions, been overruled.

MEETING ADJOURNED: 3:45 p.m.

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